
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.18.2010

Wall Street Journal: "Pension Funds Flee Stocks in Search of Less-Risky Bets ... After making the same kinds of investment blunders as many individuals, corporate pension funds now are seeking the same remedies: fleeing stocks for the perceived safety of bonds."

Wall Street Journal: "Goldman Pushes Its Image Rehab ... Goldman Sachs Group Inc. is taking its first steps to change the way it does business after it weathered harsh criticism and paid a \$550 million fine tied to its actions before and during the financial crisis."

Wall Street Journal: "Homeowners in Limbo ... David Stiles was minutes away Tuesday from seeing his house sold in a foreclosure auction when he got a surprise phone call from his lawyer."

Wall Street Journal: "Reform Rules Divide EU Members ... European Union governments were at odds over new rules to help prevent a repeat of the fiscal problems facing a number of members, as finance ministers met to discuss the changes ahead of a meeting of EU leaders to finalize the reforms later this month."

Wall Street Journal: "Card Issuers Wrestle With Slow Pace of Recovery ... A decline in delinquency rates for most issuers of credit cards failed to staunch disappointment over the continued slow pace of recovery in the U.S. industry."

Wall Street Journal: "Mozilo Agrees to Pay \$67.5 Million ... Angelo Mozilo, the former head of Countrywide Financial Corp. and the highest-ranking corporate executive to be accused of wrongdoing in the housing crisis, agreed to pay \$67.5 million in penalties to settle civil fraud and insider-trading charges."

Wall Street Journal: "Why a Foreclosure Moratorium Is a Bad Idea ... Attorneys general from all 50 states launched a joint investigation last week into allegations that mortgage-servicing companies submitted fraudulent documents and broke laws in foreclosure proceedings."

Washington Post: "Florida community feels ripple effects as paperwork issues stall foreclosures ... The yellow stucco house at 1813 Oakley Ave. has blooming bougainvillea out front, a spacious yard out back and a buyer named Emilio Mamuyac who's smitten with the place and ready to move in. But he can't."

Washington Post: "Memories of '95 Treasuries rally spur bonds as Americans fret over deficit ... Bond investors are looking back to the last time a Democratic president lost control of Congress and concluding, like then, that gridlock in Washington is good news for Treasuries."

Washington Post: "Wonkbook: Bernanke moves; WH opposes foreclosure moratorium; foreign money does enter campaigns ... It's not paranoid if they're really out to get you, and it's not pessimism if you're, well, right. For months, a fairly small group of bears have been calling for Ben Bernanke and the Federal Reserve to accept the need for unconventional policy measures that could boost the economy."

Washington Post: "In this recovery, Washington has less power over the economy than you think ... Let us tell you an Ugly Truth about the economy, a truth that no one in power or who aspires to power wants to share with you, at least until after the midterm elections are over."

Washington Post: "Treasures Gain on Prospects Fed Will Step Up Asset Purchases ... Treasures rose, rallying from their biggest weekly drop this year, amid speculation the Federal Reserve will step up asset purchases."

Washington Post: "Banks Face Mortgage Scrutiny as \$49 Billion Vanishes ... Citigroup Inc., Bank of America Corp. and Wells Fargo & Co., set to report earnings this week, face investors groping for answers after evidence of flawed foreclosure documents triggered a selloff of U.S. bank stocks."

Washington Post: "Can the Fed still rejuvenate the economy? ... It is widely, though not universally, assumed that the Federal Reserve will soon move to bolster the economy by trying to nudge down long-term interest rates on Treasury bonds, home mortgages and corporate bonds."

NY Times: "Banks Shared Clients' Profits, but Not Losses ... JPMorgan Chase & Company has a proposition for the mutual funds and pension funds that oversee many Americans' savings: Heads, we win together. Tails, you lose - alone."

NY Times: "The Fed's Next Move ... The economy isn't recovering fast enough. So what can the Federal Reserve do now? With short-term interest rates near zero, Ben Bernanke, the Fed's chairman, said on Friday that he would have to use "nonconventional" tools to spur growth."